

New York '75 and Wisconsin '11:

The Lessons of Austerity

All across the country, eyes have been set upon the struggles of Wisconsin's public workers against the imposition of austerity and the abrogation of collective bargaining rights. The solidarity shown by broad segments of Wisconsin's working class—from teachers to firefighters, from steelworkers to clerical workers—has been an inspiration. As of this writing, workers in Ohio have begun to mobilize against similar proposals by the Governor of their state. It is clear that the militant actions of Wisconsin workers are having, and will have, a resounding effect upon how others across the country react to savage attacks on public sector employees.

The situation in Wisconsin has reached an impasse. The most militant force in these protests, the massive wildcat sick-outs by rank-and-file teachers, has been reigned in by union officials. It is unclear if the momentum of the protests in Madison can be sustained as Democratic Party representatives essentially filibuster the 'budget repair bill' by refusing to attend the legislature. There are conflicting tendencies within the labor union leadership: on the one hand, officials have already consented to sweeping concessions on pay and benefits; on the other hand, the South Central Labor Federation has endorsed a call for a general strike in the near future.

The lives of tens of thousands of Wisconsin workers are in the balance. But it is not merely these workers and their families who will feel the consequences of this brutal offensive by politicians in the service of capital. The workers of Wisconsin are on the front lines of an assault that affects us all. Indeed, history has shown that attacks on public unions are an attack on the entirety of the working class.

After all, union participation in the private sector continues to decline, while concessions by labor leaders and service cutbacks are commonplace across the country. States like New York, New Jersey and California face even bigger budget deficits than Wisconsin. For this reason, the developments in Madison are a test case for what will happen across the country.

Fortunately, history provides important lessons on how to fight back against austerity. In New York City, in the mid-1970s, municipal workers faced a similar assault and, despite the heroic response of the rank-and-file, they failed to stem the tide.

What can we learn from their struggle?

And how can we use that knowledge to arm ourselves against this current onslaught in Wisconsin and beyond?

The Contours of Austerity: 1975 and 2011

The parallels between the New York City fiscal crisis and the events in Wisconsin are many.

Like Wisconsin today, the New York City fiscal crisis of 1975 was the result of a conscious decision on the part of capitalists to radically restructure the state in service of their interests. We have already learned of the influence of the Koch Brothers, and their lobbying group Americans for Prosperity, on Governor Walker's program. In New York City, it was the Financial

If Wisconsin's public workers are to make a real stand against these cuts it will be through the self-organization and militancy of the rank-and-file and not through the union leadership or the Democratic Party. The International Workers of the World and other militant groups recognized this early on in their call for a statewide shutdown. Finally, the South Central Labor Federation has endorsed a general strike in the face of Governor Walker's austerity program. In this sense, they have gone farther than the Municipal Labor Council of New York City ever went in the 1970s.

Since the SCLF does not have the authority to actually call and organize a general strike, it is up to members of the individual unions—and indeed workers outside the unions, workers across all sectors and their student allies—to make this a reality.

The motion passed by the SCLF mentions the tentative date for a general strike to be the day that the bill is signed into law. As we all know, by that time it will be too late. If a general strike is a one-day protest strike then chances are it will remain merely symbolic of the latent power of the working class. If austerity is to be averted, Wisconsin workers need more than mere symbolism or representation by union leaders or politicians.

Make no mistake, the workers of Wisconsin are facing a stark choice, the ramifications of which go beyond even their own vitally important struggle: either stand and fight against these particular cuts as a bulwark against the larger assault on the working class, or see all that we and our predecessors fought for go up in smoke. The 1970s—including the events in New York City—opened up an epochal assault on private and public sector unions that has crippled our ability to fight back against assaults by capital and the state. If there is any hope in turning back this offensive, that hope lies in places like Madison, Trenton, Gary and Columbus, and in the self-organization of workers across the country.

The schoolteachers and students have already shown that direct action remains the most powerful strategy. The truckers, electrical workers, firemen and steelworkers have already shown that solidarity across the working class is possible and necessary. The occupations, mass actions and myriad forms of struggle already taking place on the ground are a reminder that, in a world where inequality and exploitation are the norm, it is we who hold the true power.

And if ever there was a time to exercise our latent power, that time is now.

- Max Schwarz, New York City 02/23/11

Community Advisory Group, a coalition of local commercial and investment bankers, that led the drive for austerity.

The proximate causes of the crises were similar as well. In Wisconsin, it was a huge tax break to businesses and the rich that precipitated the current crisis. In New York City, it was years of tax breaks for developers and tax abatements on municipal bonds that broke the city’s budget. In both cases, the ‘solution’ to the crisis—beating up on workers and their families—was declared to be self-evident by the politicians and the media.

The ultimate causes of the crises were similar as well. By the 1970s, New York City had seen a massive flight of industrial capital from its borders, due to technological change and as a reaction to the organized power of the working class to set pay and work rules. Similarly, the industrial backbone of Wisconsin has been broken over the last forty years by a bosses’ offensive and the movement of capital out of the state (and in some cases, the country), tracking a national decline in conditions for the whole of the working class.

What we saw in New York City is now playing out similarly in Wisconsin. The consequences of a severe economic crisis are being foisted upon public workers. The vitriol and condemnation for the plight of state financing, in the face of a devastating recession, is being placed upon the working class. This, despite the fact that capitalism is inherently crisis-prone and the true blame lies with an irrational social system that produces so much abundance while so many can barely eek out a decent living.

While the situation in Wisconsin is still in flux, there are many lessons we can take from how New York City workers reacted to a similar assault.

The Latent Power of the Rank-and-File

If history is any indication, a defeat by the workers and their allies in Wisconsin will result in decades of impoverishment and an unprecedented decline in working class power. Indeed, the results of the austerity regime in New York City were exemplary of this brutality.

Starting in 1975, over a period of eighteen months, the city’s workforce was slashed by 47,412—a decrease of 15 percent. Budgets for the police, sanitation, parks and playgrounds, senior centers, summer jobs programs, hospitals and the City University were axed. Because of the seniority system in the municipal sector, the layoffs primarily fell upon women, blacks and latinos, who had just recently broken the barrier to employment. This is illustrated in the decrease of their percentage of city teachers from 11 percent to 3 percent. In all, minorities constituted 31 percent of the city payroll but suffered 44 percent of the cuts. A city with a traditionally strong working class movement was eviscerated and the social effects can still be seen decades later.

In Wisconsin, the various trade unions are organized under the South Central Labor Federation. Similarly, the prime representative of the working class in New York City during the fiscal crisis was the Municipal Labor Council. The MLC was the umbrella bargaining unit for the majority of the city’s unions, representing some 200,000 workers. Through the course of the crisis, the

leadership served as a convivial junior partner to the business community and city officials. Indeed, it is telling that the two unions that reacted most militantly to the crisis—the United Federation of Teachers and the Transport Workers Union—were not part of the council at all.

The MLC acted in a defensive fashion from the beginning, seeking only to avert layoffs of its permanent workers—at the expense of temporary ones—while focusing on retaining its collective bargaining rights. To add to its impotence, the individual unions within the MLC were severely divided and could offer no collective solution to the crisis. During the crisis period, each union competed with others for the remaining portions of the city’s revenue. Some appeared to have actually welcomed layoffs as a bargaining chip for expanding benefits like health care. The MLC decided from the beginning that sacrifices were necessary and they sacrificed their rank-and-file and, by conceding to a decrease in hard-fought social provisions, the working classes in general.

But the concessions imposed on New York City’s working class in 1975 and 1976 were by no means unavoidable. In NYC, as in Wisconsin, New Jersey, California, Ohio and Indiana today, rank-and-file workers held a latent power to stop austerity in its tracks. This was made clear early in the crisis on June 30, 1975, when the sudden firing of 19,000 city workers unleashed a wave of militant self-activity across New York City. This included a police protest that shut down the Brooklyn Bridge, mass sick-outs by firemen, and wildcat strikes by sanitation and highway workers.

These actions were an obvious success, as the city rescinded the layoffs the following day. Clearly, much of the rank-and-file had not acquiesced to austerity and sustained militant activity could have changed the tide. Fatefully though, the union leadership assiduously reigned in the workers. Thereafter, union leaders directly collaborated with the politicians in the imposition of austerity, including the reduction of their own unionized workforce. They even offered their workers’ union pensions as collateral in city bond auctions.

The general strike is one of the most powerful weapons the working class holds. Talks of a general strike—a potentially potent weapon against the attack on the working class—were in the air in 1975, but the union leaderships were too fractured and timid to pursue it with any seriousness. The union bureaucrats lacked the militancy and vision that the rank-and-file retained.

The events of June 30th, 1975 were a decisive moment in the fiscal crisis. Had the rank-and-file continued with their militant actions in the subsequent months, austerity could have been stopped in its tracks.

A couple years later, the world watched as the Bronx was burning. As we all know, New York City saw a marked decline in the decades after the fiscal crisis. And things could have been very different had the workers stopped the offensive in its tracks.

This is the lesson of 1975.

New York to Wisconsin and Beyond